



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

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February 23, 2016

Dennis Jenkerson, Fire Chief
Fire Department
1421 N. Jefferson Avenue
St. Louis, MO 63106-2100

RE: Payroll Distribution (Project 2016-PD04)

Dear Chief Jenkerson:

The Internal Audit Section conducted a payroll distribution of the Fire Department for the pay period ending October 17, 2015. The objectives of the review were to determine the following:

- Only eligible employees received wages.
- Wages and wage receipts were adequately safeguarded.
- Employees were paid for actual hours worked or approved paid leave.
- Accruals and use of paid leave were accurate.

This review was made under authorization contained in Article XV , Section 2, of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

During our review, nothing came to our attention that caused us to believe wages were not properly distributed or safeguarded. However, we identified opportunities to improve recordkeeping of employees leave balances in compliance with City of St. Louis Department of Personnel Administrative Regulation #134. These observations along with the recommendations and management responses are detailed on the following pages.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Mohammad H. Adil, CPA, CGMA
Internal Audit Supervisor

CC: Cynthia Dixon, Administrative Assistant/Fiscal Services Manager



**FIRE DEPARTMENT
PAYROLL DISTRIBUTION
PAY PERIOD ENDING OCTOBER 17, 2015**

DETAILED OBSERVATIONS AND RECOMMENDATIONS

1. Negative Leave Balances

The Fire Department's 'Vacation, Medical and Sick Leave Report' for the pay period ending October 17, 2015 had thirteen (13) employees with negative leave (vacation or sick leave) balances ranging from .6 to 136.6 hours. Negative leave balances represent leave taken in excess of the earned and accrued leave balances.

Recommendation

Internal Audit recommends that the Fire Department establish a system of internal control to:

- Track employees sick leave balances on a regular basis.
- Grant sick leave request only after making sure that the employee has sufficient sick leave balance to cover the request.
- Inform employees who are getting low with sick leave balances that any sick leave taken in future may result in a dock.
- Determine how to resolve the existing negative leave balances.

Management Response

The department processes payroll for 828 employees. The leave balances are verified every two weeks and appropriate action is taken to make corrections.

During this audit, the auditor found (13) instances where the balances were negative. These negative balances are not carried for extended periods of time. The corrections are made as soon as possible, during the current payroll or the next, depending on the circumstances, i.e. FML, VL, or if the employee is off. However, the Fire Department has payroll procedures and follows them for assurances and compliances.

2. Use of Improper Leave Request Form

During our review of the employee leave requests, we noted that in one instance a form used by supervisor to report an employee absence was used as a leave request form. The form did not have any specific space stating the type (vacation, medical, sick or compensatory time) and the hours and dates of leave.

Recommendation

Internal Audit recommends that the Fire Department establish a system of internal control to ensure that:

- All leave requests are supported by Fire Department's Leave Request Forms.
- The Leave Request Form is fully completed by the employee requesting the leave, including type, date(s) and hour(s) of leave requested and the employee's signature.

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- The Form is approved and signed by the appropriate supervisor and/or appointing authority.

Management Response

The payroll procedure for handling leave has been reiterated and all the supervisors have been notified that the employee will be docked or must use proper forms for available leave.